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Released Pursuant to \$1090.27(j) and \$1090.85, USDA-C&MS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

CURRENT SERIAL RECORDS

MARKET SUMMARY - DECEMBER 1966

The Order MINIMUM producer uniform price is \$5.65 per cwt. f.o.b. Chattanooga Area pool plants for milk containing 3.5% butterfat. The producer butterfat differential is 8.4 cents for each one-tenth of one percent above or below 3.5 percent butterfat. This is a producer uniform price increase of \$0.92 per cwt. over December 1965.

During December, 82.8% of the total producer milk was priced in Class I at \$6.07 per cwt. with a butterfat differential of 8.8 cents and 17.2% in Class II at \$3.90 per cwt. with a butterfat differential of 7.6 cents. The daily average use of Gross Class I milk increased 0.7% compared with November 1966 and increased 0.9% compared with December 1965.

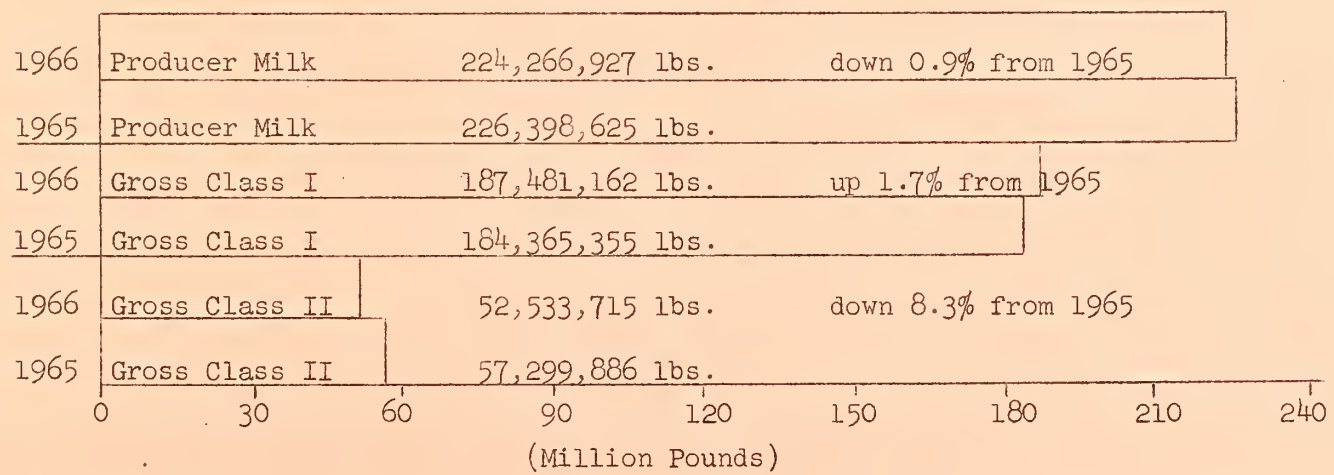
Daily average delivery of milk from producers was 575,620 pounds in December 1966, an increase of 10,353 pounds per day compared with November 1966 and a decrease of 59,640 pounds compared with December 1965. Percentage-wise, December deliveries increased 1.8% compared with November 1966 and decreased 9.4% compared with December 1965.

MILK SAMPLES TESTED - Producer Fresh Samples 4,544 - Handler Finished Products 235.

NEW PRODUCER MILK BASES

Milk bases to be used March through July 1967 will be calculated from milk deliveries during September 1966 through January 1967. A base is assigned to the producer name (payroll check account) as reported by the receiving handler. Producers, especially partnerships, are urged to see that their name is correctly listed with the handler and Market Administrator. Milk bases will be announced, by the Market Administrator, on or before March 1, 1967.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION
(JANUARY THRU DECEMBER)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% Dec. '66 Over Dec. '65	Dec. 1966	Nov. 1966	Dec. 1965
Number of Plants (Pool and Non-Pool)		10	9	11
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Total Producer Milk	- 9.4	575,620	565,267	635,260
Other Source	+ 33.2	20,646	12,876	15,503
Other Federal Orders	+395.7	46,158	43,082	9,311
Total Milk Receipts	- 2.7	642,424	621,225	660,074
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	- 4.9	378,798	374,138	398,486
Regular Skim	+ 9.5	16,701	16,023	15,247
Special Skim - 2.0%	+175.7	25,071	23,039	9,093
Buttermilk	- 1.1	41,928	39,924	42,376
Flavored Milk and Drink	- 7.5	11,584	12,382	12,517
Fluid Cream (Sweet and Sour)	+ 6.6	3,697	2,907	3,469
Other (Shrinkage, Inventory, etc.)		2,424	1,256	690
Transfers to Non-Pool Plants		31,297	38,056	24,906
Total Class I Milk	+ 0.9	511,500	507,725	506,784
Class II Uses:				
Ice Cream Mixes		25,733	29,761	31,870
Cottage Cheese		24,282	25,946	14,979
Powdered and Condensed Milk		37,602	11,525	60,356
Livestock Feed and Skim Dumped		5,590	5,241	6,054
Shrinkage Class II		10,774	9,064	9,230
Other (Butter, Inventory, etc.)		(3,991)	7,964	6,340
Transfers to Non-Pool Plants		30,934	23,999	24,461
Total Class II Milk	- 14.6	130,924	113,500	153,290
Class I Pounds in Marketing Area	+ 2.9	306,169	299,730	297,537
Class I Pounds Outside Marketing Area	- 1.9	205,331	207,995	209,247
Gross Class I Butterfat Pounds	- 0.9	18,261	17,999	18,418
Gross Class II Butterfat Pounds	- 5.8	8,344	7,639	8,857
Total Butterfat Pounds	- 2.5	26,605	25,638	27,275
% Producer Milk of Gross Class I		112.5	111.3	125.4
% Producer Milk priced in Class I		82.8	83.9	79.0

JANUARY 1967 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

<u>Per § 1090.51(a)</u>	<u>Jan. '67</u>	<u>Dec. '66</u>	<u>Jan. '66</u>
Basic Formula	\$4.26	\$4.26	\$3.47
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	0.08	0.06	0.00
Class I Price, 3.5% Butterfat	\$6.09	\$6.07	\$5.22

Supply-Demand Comparison: 1st and 2nd preceding months: November and December
Supply: Lbs. Producer Milk (Nov. 16,958,017 and Dec. 17,844,205) 34,802,222
Demand: Lbs. Net Class I Milk (Nov. 15,098,593 and Dec. 15,718,142) 30,816,735
Utilization Percentage: Producer milk divided by Class I 113
Standard Utilization Percentage: Range 117-121 117
Net Deviation Percentage: Utilization minus Standard Utilization minus 4
Supply-Demand Adjustment: 2 cents x 4 percentage points plus \$0.08

Since the supply in relation to the demand is less than the desired standard, the price is increased 8 cents per hundredweight (2 cents x 4 percentage points).

COMPUTATION OF PRODUCER UNIFORM PRICE

DECEMBER 1966	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		15,856,499	3.570		
Less Other Source		1,079,896	3.346		
Producer Milk Class I	82.8	14,776,603	3.586521	\$6.146138	\$ 908,190.41
Gross Class II		4,058,648	6.373		
Less Other Source		991,046	3.594		
Producer Milk Class II	17.2	3,067,602	7.271152	6.766076	207,556.28
TOTAL PRODUCER MILK (Cl. I + Cl. II)	100.0	17,844,205	4.219947		1,115,746.69
Add Fractional Adjustment					0.15
Add Value of Inventory Reclassified					877.04
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		99,133			4,901.84
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					6,655.73
TOTAL VALUE AT TEST		17,943,338	4.208905	6.287467	1,128,181.45
Less Test over 3.5% @ 8.4¢ per point		17,943,338	.708905	.595480	106,848.99
TOTAL UTILIZATION VALUE AT 3.5%		17,943,338	3.5	5.691987	1,021,332.46
Less Producer-Settlement Fund Reserve		17,943,338		.041987	7,533.87
PRODUCER UNIFORM PRICE F.O.B. POOL PLANTS		17,943,338	3.5	\$5.65	\$1,013,798.59

 DECEMBER 1966 MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
 BUTTERFAT DIFFERENTIAL 8.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$5.23	3.6	\$5.734	4.2	\$6.238	4.8	\$6.742	5.4	\$7.246
3.05	5.272	3.65	5.776	4.25	6.28	4.85	6.784	5.45	7.288
3.1	5.314	3.7	5.818	4.3	6.322	4.9	6.826	5.5	7.33
3.15	5.356	3.75	5.86	4.35	6.364	4.95	6.868	5.55	7.372
3.2	5.398	3.8	5.902	4.4	6.406	5.0	6.91	5.6	7.414
3.25	5.44	3.85	5.944	4.45	6.448	5.05	6.952	5.65	7.456
3.3	5.482	3.9	5.986	4.5	6.49	5.1	6.994	5.7	7.498
3.35	5.524	3.95	6.028	4.55	6.532	5.15	7.036	5.75	7.54
3.4	5.566	4.0	6.07	4.6	6.574	5.2	7.078	5.8	7.582
3.45	5.608	4.05	6.112	4.65	6.616	5.25	7.12	5.85	7.624
3.5	5.65	4.1	6.154	4.7	6.658	5.3	7.162	5.9	7.666
3.55	5.692	4.15	6.196	4.75	6.70	5.35	7.204	5.95	7.708

COMPARISON OF PRODUCER RECEIPTS AND GROSS CLASS I (DAILY AVERAGE)

Month	PRODUCER RECEIPTS			GROSS CLASS I		
	1966	1965	1964	1966	1965	1964
Jan.	634,748	596,761	532,316	531,241	494,256	487,184
Feb.	616,699	591,241	533,555	546,032	499,105	497,493
Mar.	637,348	590,445**	533,163	526,847	494,283	476,604
Apr.	686,157*	642,007	556,173	528,830	497,275	485,721
May	669,259	634,015	558,588	498,267	474,496	467,902
June	624,721	604,907	530,133**	492,255	448,404**	452,652
July	558,984**	595,861	536,759	461,978**	471,881	450,675**
Aug.	602,478	611,908	591,226	467,688	473,692	466,287
Sept.	617,915	655,531*	618,770*	573,722*	572,210*	551,079*
Oct.	585,436	646,998	579,109	534,469	561,613	542,789
Nov.	565,267	637,400	577,284	507,725	567,822	507,098
Dec.	575,620	635,256	577,562	511,500	507,814	496,019
Simple Average	614,553	620,194	560,387	515,046	505,238	490,125

*High Month of Year

**Low Month of Year

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Dec. '65	\$4.73	-	-	8.0¢	\$5.14	8.2¢	\$3.36	7.3¢
Jan. '66	4.82	-	-	7.8	5.22	8.2	3.22	6.8
Feb.	4.87	-	-	7.6	5.18	7.7	3.01	7.1
Mar.	4.89 ^{2/}	\$5.00	\$3.04	7.8	5.33	8.0	3.08	7.3
Apr.	4.85 ^{2/}	5.06	3.00	7.8	5.45	8.2	3.04	7.2
May	4.79 ^{2/}	4.97	3.02	8.0	5.45	8.2	3.06	7.3
June	4.87 ^{2/}	5.01	3.08	8.0	5.45	8.3	3.12	7.6
July	5.28 ^{2/}	5.44	3.24	8.4	5.767	8.6	3.28	8.2
Aug.	5.27	-	-	9.0	5.84	9.3	3.49	8.4
Sept.	5.66	-	-	9.4	5.87	9.5	4.25	8.6
Oct.	5.65	-	-	9.2	6.01	9.7	3.99	7.9
Nov.	5.68	-	-	8.6	6.09	8.9	3.95	7.8
Dec.	5.65	-	-	8.4	6.07	8.8	3.90	7.6
Jan. '67	-	-	-	-	6.09	8.6	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS				Basic Formula \$-cwt-3.5%
	4 Tenn. Milk Mfg.	Butter Powder	4 Tenn. Milk Mfg. \$-cwt-4%	Chi.92° Butter ¢ Lb.	Chi.Area Powder ¢ Lb.	Minn/Wisc. Mfg. Milk \$-cwt-3.5%	
	Milk Mfg.	Powder					
Dec. '65	2.90	3.36	3.269	63.45	14.31	3.47	3.47
Jan. '66	3.01	3.22	3.350	59.33	14.54	3.47	3.47
Feb.	3.01	3.32	3.363	61.80	14.59	3.58	3.58
Mar.	3.08	3.39	3.450	63.40	14.81	3.68	3.68
Apr.	3.04	3.48	3.400	62.80	16.02	3.64	3.64
May	3.06	3.55	3.425	63.54	16.70	3.65	3.65
June	3.12	3.65	3.500	65.99	16.81	3.82	4.00
July	3.28	4.02	3.688	71.19	18.83	4.05	4.05
Aug.	3.49	4.17	3.913	73.05	19.63	4.26	4.26
Sept.	3.55	4.25	3.981	74.88	19.73	4.34	4.34
Oct.	3.57	3.99	3.969	68.80	19.64	4.26	4.26
Nov.	3.52	3.95	3.913	67.70	19.74	4.15	4.26 ^{4/}
Dec.	3.50	3.90	3.881	66.49	19.58	4.14	4.26 ^{4/}

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK <u>3/</u>			PRODUCER DATA <u>3/</u>				Deliveries Per			Prod. Milk Test
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	
Dec. '65	11	660,074	506,784	501,638	635,260	-	666	954	-	-	4.23
Jan. '66	11	662,874	531,241	526,225	634,748	-	664	956	-	-	4.20
Feb.	11	648,797	546,032	534,700	616,699	-	663	930	-	-	4.22
Mar.	11	671,086	526,847	517,608	637,348	600,154	660	966	909	57	4.06
Apr.	11	726,873	528,830	522,390	686,157	617,814	653	1,051	946	105	3.93
May	11	709,820	498,267	492,037	669,259	606,628	646	1,036	939	97	3.95
June	11	664,459	492,255	477,148	624,721	579,064	642	973	902	71	3.90
July	9	606,531	461,978	450,482	558,984	520,301	601	930	866	64	3.89
Aug.	9	627,073	467,668	460,875	602,478	-	602	1,001	-	-	3.87
Sept.	9	669,440	573,722	549,013	617,915	-	591	1,046	-	-	3.95
Oct.	9	641,779	534,469	499,096	585,436	-	575	1,018	-	-	4.15
Nov.	9	621,225	507,725	474,427	565,267	-	571	990	-	-	4.20
Dec.	10	642,424	511,500	476,665	575,620	-	572	1,006	-	-	4.22

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is receipts minus Class I^{4/} Basic Formula "floor" per Order Amendment, December 1, 1966